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## ICC Hosts Policy Session on MISO Zone 4 Resource Adequacy

CHICAGO— On December 10, the Illinois Commerce Commission hosted its second Policy Session on resource adequacy in Zone 4 of the Midcontinent Independent System Operator (MISO) market construct, with the meeting focused on discussing potential solutions.

Resource Adequacy requires load-serving entities to demonstrate they have purchased capacity commitments sufficient to handle peak loads to ensure system reliability. Currently, Zone 4 of MISO, the Ameren Illinois territory, constitutes the only portion of the market construct that is restructured, meaning that competing sellers supply electricity in the open market. Other MISO member states are vertically integrated and the utility owns all levels of the supply chain. Given that this can cause price-signals and long-term planning to be less predictable, the goal was to hear stakeholders' perspectives on potential solutions.

Organized by Chairman Brien Sheahan, the Session brought together subject-matter experts, consumer advocates, utility representatives, regional transmission organizations (RTOs), Illinois-based generators, and demand response and energy efficiency representatives.

In an attempt to provide a platform to propose and analyze potential solutions, the discussion kicked off with an explanation of the current state of Resource Adequacy in Zone 4 and led into a focus on identifying potential solutions including new build, redesigning the market construct, demand response, and energy efficiency. The day wrapped up with a discussion of the potential ramifications of proposed solutions on constituents including residential, industrial and manufacturing consumers.

Participants mostly agreed that while Resource Adequacy is not a short-term problem, the issue presents long-term concerns that should be addressed, starting now. Panelists stressed that the ideal solution would consist of a mix of resources to ensure reliability and least-cost service to Illinois ratepayers, including generation, distributed generation, demand response, and energy efficiency. According to Dr. David Patton, Independent Market Monitor for MISO of Potomac Economics, Resource Adequacy "is an issue in Zone 4 that needs to be dealt with."

Panelists noted Resource Adequacy is also an economic development issue, and customers expect that they will be shielded from volatile and excessive price increases.

"Businesses are going to want to come in and know what the power supply prices are going to be," said Jim Blessing, Sr. Director of Power Supply & Infrastructure Development for Ameren Illinois.

"The ICC is a quasi-judicial regulatory body and does not intend to take a position on this topic," Chairman Sheahan said. "However, it is important to have thoughtful discussion and I applaud MISO's continuing efforts to explore the issue. Although consensus is not always achievable it is important to hear from all perspectives. We are appreciative of efforts to ensure long-term resource adequacy in Southern Illinois."

Along with those previously mentioned, other panelists included J.R. Tolbert, Sr. Director for State Policy, Advanced Energy Economy; John Moore, Sr. Attorney, Sustainable FERC Project, Natural Resources Defense Council; Jeff Bladen, Executive Director of Market Development, MISO; Bill Berg, VP, Wholesale Market Development, Exelon Corp.; Dean Ellis, VP of Regulatory Affairs, Dynegy, Inc.; Greg Poulos, Manager, Regulatory Affairs, EnerNOC, Inc.; Erika Diamond, VP & GM of Energy Markets, EnergyHub; Dave Kolata, Executive Director, Citizens Utility Board; Jeff Bladen, Executive Director of Market Development, MISO; Jim Blessing, Sr. Director of Power Supply & Infrastructure Development, Ameren Illinois; Susan Satter, Sr. Assistant Attorney General, Public Utilities Bureau, Office of the Illinois Attorney General; Bruce Campbell, Director, Regulatory Affairs, Johnson Controls, Inc.; Paul Noble, Representative, International Brotherhood of Electrical Workers; and Bret Balke, Electric Energy Manager, Archer Daniels Midland.

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